

auDRP_17_08

Decision

1. The Parties

1. The Complainant is Key Pharmaceuticals Pty Ltd represented by Bartier Perry Lawyers.
2. The Respondent is AMBA Communications Pty Ltd, represented by Gorton IP.

2. The Domain Name and Registrar

3. The disputed domain names are:

- 3.1. mintecibs.com.au;
- 3.2. earclear.com.au;
- 3.3. osmolax.com.au;
- 3.4. ostevit.com.au;
- 3.5. vagi.com.au;
- 3.6. neutralice.com.au
- 3.7. hamiltonskin.com.au;
- 3.8. hamiltonsun.com.au;
- 3.9. ovuplan.com.au;
- 3.10. blistex.com.au;
- 3.11. hirudoid.com.au; and
- 3.12. hiruscar.com.au.

is registered with TPP Wholesale (the “Registrar”).

3. Procedural History

4. The Complaint received by Resolution Institute 4 May 2017. 2. Resolution Institute sent acknowledgement of receipt to Complainant on 5 May 2017. The original Complaint was revised and that document was received from the Complainant by Resolution Institute 8 May 2017. The Resolution Institute sent acknowledgement of receipt and invoice for the panel fee to Complainant on 10 May 2017. Payment of panel received by Resolution Institute on 19 May 2017.
5. 6. A copy of the complaint was submitted and a request to clarify Respondent details and lock the domain name during proceedings was emailed to the registrar TPP Wholesale on 24 May 2017. 7. On 25 May 2017 the Registrar confirmed via email that the domain names in dispute has been locked¹.

¹ The domain ‘hamiltonsun.com.au’ is registered to a different entity being Valeant Pharmaceuticals Australasia Pty Limited. It appears that domain name has not been transferred to the control of the

6. On 26 May 2017 Resolution Institute advised auDA of the complaint via email. On the 26 May 2017 Resolution Institute sent the Respondent (AMBA Communications Pty Ltd) an email and written notification of the complaint lodged against them. The Complainant was copied in on these notifications. 10. The due date for the response to the complaint was confirmed to be 15 June 2017.
7. On 15 June 2017, Gorton IP on behalf of the Respondent (AMBA Communications Pty Ltd) submitted a response to the domain name complaint. On 16 June 2017 Resolution Institute approached me to accept appointment as the Panellist. I conformed my availability, informed Resolution Institute that I had no known conflict issues with the parties and accepted the matter on 19 June 2017.
8. The Case file and relevant correspondence was forwarded onto the Panellist on 19 June 2017. The Parties to the dispute were notified of the Panellist's allocation on 19 June 2017.
9. The date on which the decision is due is 3 July 2017.

4. Factual Background

10. The Complainant, asserts it operates pharmaceutical business controlling the distribution and holding the rights in a number of branded pharmaceutical products. The Complainant engaged the Respondent to manage / develop the media promotion of the products, host the web sites and related activities. That role included securing and managing a number of domain names relevant to the products and subject to the direction of the Complainant managing the related websites.
11. It is common ground between the parties that the Respondent had undertaken the obligations for many years and the relationship was governed by a contract between the parties. In a legal sense the Respondent was the agent of the Complainant for the purpose of securing the domain names. The Respondent's role could include the transfer of domain names if a new product was acquired by the Complainant or registering a new domain name as was required.
12. As noted below, the domain 'hamiltonsun.com.au' is not registered to the Respondent company. However, it is controlled by the same contact point and it appears the transfer to the Respondent is following a slow path to the same location. While it is my view, that the decision in this matter should apply to all domain names, ultimately in relation to that domain it may require an express instruction to be issued by the current registered holder. I am not persuaded that the current decision can compel a non-party to comply.

Respondent. This was the subject of extensive correspondence in 2014. However, the contact details for that domain are identical to the other contested domains, ie AMBA Communications. At paragraphs 20 and 21 of the Complaint, the issue of transfer of this domain is removed and any rights previously granted to allow transfer have been expressly retracted.

5. Parties' Contentions

A. Complainant

13. The Complainant asserts it is the legal and beneficial owner of the collection of domain names. The Respondent was appointed and only secured a right to register and hold the domain names as an agent of the Complainant. Having revoked that authority and entering the process of terminating the contractual relationship it has the right to direct the transfer of the domain names to itself or a new third party.
14. The Complainant's contentions are briefly synthesised as follows:
- 14.1. That the disputed domain name is identical or confusingly similar to the trademarks held which the Complainant has rights. The disputed domain names were registered pursuant to authority it provided and has now revoked.
 - 14.2. That the Respondent has no rights or legitimate interests in respect of the disputed domain names and the disputed domain names were only secured as agent for the Complainant. ; and
 - 14.3. That the disputed domain name was held only because of the instructions or the Complaint and that a refusal to transfer the domains is the basis of use in bad faith.

B. Respondent

15. The Respondent's contentions are:
- 15.1. It accepts it does not have a right to the domain names which are the registered trade marks of the Complainant;
 - 15.2. During the period since about 2005, it has paid the fees and administered the domains and this is the practice of the Complainant in outsourcing these tasks; and
 - 15.3. The domain names have not been used or registered in bad faith because
 - 15.3.1. they were not acquired for renting or similar, or
 - 15.3.2. an act of denial of the Complainant access to the domain name reflecting the Complainant's rights, or
 - 15.3.3. with the intent of disrupting the business of the Complainant, or
 - 15.3.4. used the domain name to divert traffic or the like from the Complainant's sites to other domains, and
 - 15.3.5. has not provided false or misleading information to registration or renewal eligibility.

6. Discussion and Findings

16. Pursuant to paragraph 4(a) of the Policy, the Panel may find in favour of the Complainant in this proceeding and order a transfer of the disputed domain names, provided the Complainant demonstrates that:

(i) The disputed domain name is identical or confusingly similar to a name, trade mark or service mark in which the Complainant has rights; and

(ii) The Respondent has no rights or legitimate interests in respect of the disputed domain name; and

(iii) The disputed domain name has been registered or subsequently used in bad faith.

Basis of decision

17. Paragraph 15(a) of the Rules provides:

“A Panel shall decide a complaint on the basis of the statements and documents submitted and in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable.”

18. I now deal with the elements required to be made out by the Claimant.

A. Identical or Confusingly Similar

19. This element is pressed by the Complainant, who bears the onus of establishing the required element on the balance of probabilities. The Respondent has conceded this element is established².

20. The Panel finds that the Complainant has satisfied the condition set out in the Policy, paragraph 4(a)(i), and that the disputed domain names are identical or confusingly similar to a registered trade mark name in which the Complainant has rights.

B. Rights or Legitimate Interests

21. Paragraph 4(c) of the Policy sets out the non-exhaustive criteria which determine whether a domain name registrant has rights or legitimate interests in a domain name, these can be synthesised as including if it has:

(i) Prior bona fide offering of goods or services;

(ii) Common association with the disputed domain name; or

(iii) Legitimate non-commercial use.

22. It is clear that at the time of registration or transfer the Respondent did have a legitimate interest to register or transfer. That right however was based solely on the true holder of the rights having delegated those rights. That delegation was not unfettered or never ending, and both under the agreement between the parties and the general principles of agency the right could come to an end for cause or usually by notice.

23. The agreement between the parties, (which I have not located in the parties submissions) is cited by the Respondent³. In that extract, it clearly contemplates termination of the agency.

24. While it is clear, and is common ground, that the Respondent had a right to register, transfer and hold all of the domain names; there is no evidence or suggestion that right was enduring.

² See paragraph 5(i) at the top of page 6 of the response.

³ Penultimate paragraph on page 4.

Merely having a right at the time of registration or transfer does not mean that at a later time that right will continue.

25. Compliance with this element can only reasonably mean a current and present right. Were it otherwise a court may decide a trademark dispute and yet unless specifically pleaded the party who may have registered the trademark would have a continuing right to the domain name if it complied with the other elements. That would be nonsensical and in my view, cannot have been in the contemplation of the authors of the policy or a logical interpretation of the effect of the provision.

26. I am satisfied this element is established.

C. Registered or Subsequently Used in Bad Faith

27. Paragraph 4(b) of the Policy sets out the non-exhaustive criteria for a finding of bad faith, which are synthesised below and include registering or using the disputed domain name to:

(i) Sell, rent or otherwise transfer the disputed domain name to the complainant for a profit;

(ii) Prevent the owner of the trade mark from reflecting the mark in a corresponding domain name;

(iii) Disrupt the business of a competitor; or

(iv) Intentionally attempt to attract, for commercial gain, Internet users to a website or other online location, by creating a likelihood of confusion with the complainant's mark as to the source, affiliation or endorsement of a website or location or of a product or service on a website or location.

28. This element is the crux of the dispute.

Unsolicited Submissions

29. Following the provision of the Response the Claimant's representatives provided additional submissions. The consideration of those submissions is discretionary. Promptly, the Respondent's representative provided a responsive communication submitting that absent a specific request, the usual procedure should be followed and applied. The Claimant's representative provided further correspondence suggesting I should exercise the discretion.

30. I have not read the unsolicited submissions beyond the cover letters. Specifically, I have not considered the additional submissions and they do not weigh on my decision.

What is 'bad faith'

31. In the current dispute the registration is clearly not undertaken in bad faith. Similarly, the of the four examples, provided in Schedule A of auDRP are not exhaustive. It is clear from the correspondence that the parties are in dispute regarding invoices that are said to be outstanding and the terms of the disengagement.

32. Bad faith is a protean term which must be considered in light of all of the circumstances reasonably evidenced. Within the courts it remains a term that is difficult to define with accuracy, there is seldom a bright line that distinguishes between an honest and reasonable belief or honest error and a less benign belief. In *The Bell Group Ltd (In Liq) -V- Westpac Banking Corporation (No 9)* [2008] WASC 239, Owen J stated:

*4877 I do not think there is much doubt that 'bad faith' is a reasonably literal translation of the Latin phrase 'mala fide'. Nor do I think there is much doubt that, in its ordinary and natural meaning, bad faith' means lacking in honesty. Bad faith is the term generally used in the common law to describe intentional wrongdoing, corrupt purposes and dishonest motivation. It marks the boundary between honest error and dishonest motivation. When used in this context, the law recognises that allegations of bad faith are a serious matter 'involving personal fault':***SBAP v Refugee Review Tribunal** [\[2002\] FCA 590](#) [49] (Heerey J).

33. While the court decision is not binding, I have extracted those words as they evidence the complexity of making a clear finding. The Respondent, in a comprehensive and forceful series of submissions has directed me to a series of decisions which it commends to me. While there is great benefit to those parties in dispute to have some measure of consistency of outcome, there is no strict doctrine of precedence or hierarchy of decision makers. For the avoidance of doubt however, I confirm I have read those extracts and considered the facts, to the extent they are disclosed in the published decisions. Most of the decisions deal with UDRP and not the auDRP. There are some differences between the policies⁴. Regardless it is relevant and appropriate to briefly address those submissions and decisions.

33.1. In *Axios IT Pty. Ltd. v. Strata Voting Pty. Ltd.* a decision pursuant to auDRP. The parties were in a dispute where the trademarks had been removed from a party who had claimed a right in those trademarks. The dispute centred on the domain names which were linked to the recently rtransferred trademarks. That transfer was generated because of a power of attorney created under the agreement between the parties. At the time of registration and until the date of transfer there was no dispute that the Respondent had the right on its own merits to register the domain names. In this instance the only rights that were held by the Respondent were delegated by the Complainant to the Respondent as its express agent.

33.2. In *SPECS Surface Nano Analysis GmbH v. Rickmer Kose*, a dispute utilising the UDRP, the issue was could a registration by an otherwise unentitled party be legitimate. The basis of the application was to achieve a finding of reverse domain name hijacking⁵. In this

⁴ For example the final element is headed 'D. Registered and Used in Bad Faith' while in the auDRP the relevant test is not conjunctive being '(iii) your domain name has been registered or subsequently used in bad faith.'

⁵ That term is defined in Schedule B of the auDRP as 'Reverse Domain Name Hijacking means using the Policy in bad faith to attempt to deprive a registered domain name holder of a domain name.'

decision which in part runs contrary to the interests of the Respondent the panelist states **(emphasis added)**:

The Panel finds that the Respondent has used the disputed domain name in bad faith. Although the Respondent provides some evidence apparently to the contrary, the evidence more clearly suggests that the distributorship agreement between the parties was terminated with effect from April 30, 2010. With that agreement terminated, the justification for the Respondent's registration was effectively lost. Miele, Inc. v. Absolute Air Cleaners and Purifiers, WIPO Case No. D2000-0756. Despite the termination of that agreement, the Respondent continues to use a website to offer Complainant's goods without authorisation or disclosure.

However, the Panel cannot find that the Respondent registered the disputed domain name in bad faith. Primarily this is because the Complainant, on its own evidence, explicitly authorised the Respondent to register the disputed domain name in 2006. (Paragraph 5, Declaration of the CEO of the Complainant, attached to the Complaint.)

In that reasoning, the loss of the distribution right and continued control of the domain name was considered to establish bad faith. However, because of the UDRP requirement for both registration and use in bad faith the complaint failed as registration occurred when the entitlement was present.

33.3. In BlueScope Steel Limited v. Ronald Leslie Mann (Ron Mann), Gram Engineering Pty Ltd a further decision pursuant to the UDRP and thus requiring the conjunction of both registration and use in bad faith. Again the issue that was considered was the original approval to register the domain name. That was not in dispute, however the continued use of the domain (which use the Complainant's trademark) after ceasing to sell or distribute the product appears to have met the relevant test. The Complaint failed.

33.4. In Phillip Island Nature Park Board of Management Inc. v. The Trustee for the Langford Family Trust the Complainant failed in regard to the first element and accordingly the panelist dealt with the second and third elements briefly. The dispute was considered within the auDRP and the finding was, so far as it is relevant that the scheme was not appropriate for deciding the policy is not designed to be a forum deciding complex business disputes. In support of that view the panel cited Ruff Roofers, Inc., Ruff Roofing, Inc. and Roofing by Ruff, Inc. v. Jean Ruff⁶, The Thread.com, LLC v. Jeffrey S. Poploff and UTVG Europe Holding B.V. v. Vitali S. The three cited decisions all being determined pursuant to the UDRP.

34. The kernel of the Respondent's submission, as I understand it is, that a broader dispute is on foot and pending the resolution of that dispute by a court of competent jurisdiction no domain name decision is available.

35. The basis of the Complainant's submission is that the denial of the transfer is evidence of the bad faith criteria.

⁶ This matter has also been cited by the Respondent for the same principles as stated in Phillip Island dispute.

Summary and Decision

36. As I have noted above, the parties have brought the current dispute as part of a larger dispute, regarding outstanding payments and proposed charges for the transfer of various files, some related intellectual property and the like that is related to the long contractual relationship. While the Respondent asserts the relationship has not been terminated properly and accordingly no right to transfer exists it is clear that the relationship is at an end; that appears to be common ground.
37. There is no dispute that the Respondent asserts a debt exists between the parties, however, this dispute does not relate to that dispute. They are distinct, there are specific fora best suited for the resolution of contractual disputes, and consideration is outside the scope of auDRP. However, in deciding the entitlement to hold a series of domain names I am not reaching into that dispute. To make a decision on a contractual dispute without specific submissions (again I observe I do not have the terms of the agreement between the parties) would be both foolhardy and outside the scope of my appointment.
38. The Respondent in correspondence issued between the parties identified a sum it assessed as being payable for the transfer of a number of files. It was clear that if that sum of \$800,000.00 plus GST was paid plus any outstanding invoices the transfer of the domain names and other material would occur. That offer was open from 6 April to 10 April 2017.
39. I accept that the courts, have spoken of 'ordinary commercial pressure' and it may be that the Respondent has done nothing more than that. However, in my view the use of the domain names as a tool in broader commercial dispute as a lever to secure agreement is outside the purpose for which the licence or agency appointment to register and manage the domain names was granted. While it does not divert visitors away from the sites it equally does not allow the Complainant to manage the site, undertake promotions or similar commercial activities logically associated with the operation of a domain.
40. I am satisfied that the refusal to transfer does demonstrate bad faith given:
- 40.1. The relationship is at an end, even if the formal termination may be flawed; and I make no decision in that regard, I note that where both parties conduct themselves on the basis the contract is not on foot the law will see it as at an end⁷,
 - 40.2. The right to register was valid, but the continued holding of the domains ended with the withdrawal of the agency,
 - 40.3. While the Respondent is not selling product to which it is not entitled it is obstructing the Complainant from administering or changing the sites, by the simple act of failing to transfer, and

⁷ See for example D.T.R. Nominees Pty. Ltd. V. Mona Homes Pty. Ltd. [1978] HCA 12

40.4. The Respondent has indicated a willingness to transfer the sites, which appears to have slightly changed to becoming an entire 'disengagement' package, to the Respondent's commercial benefit.

7. Decision

41. For all the foregoing reasons, in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the disputed domain names:

- 41.1. mintecibs.com.au;
- 41.2. earclear.com.au;
- 41.3. osmolax.com.au;
- 41.4. ostevit.com.au;
- 41.5. vagi.com.au;
- 41.6. neutralice.com.au
- 41.7. hamiltonskin.com.au;
- 41.8. ovuplan.com.au;
- 41.9. blistex.com.au;
- 41.10. hirudoid.com.au; and
- 41.11. hiruscar.com.au.

be transferred to the Complainant.

42. I make no decision regarding the domain hamiltonsun.com.au; which is not registered to the Respondent.

Scott Pettersson
Panellist
3 July 2017